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*Counsel for the Official Committee of Equity Security Holders of
 USA Capital First Trust Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:) BK-S-06-10725-LBR
 USA COMMERCIAL MORTGAGE COMPANY) Chapter 11
 Debtor)

In re:) BK-S-06-10726-LBR
 USA CAPITAL REALTY ADVISORS, LLC,) Chapter 11
 Debtor)

In re:) BK-S-06-10727-LBR
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,) Chapter 11
 Debtor)

In re:) BK-S-06-10728-LBR
 USA CAPITAL FIRST TRUST DEED FUND, LLC,) Chapter 11
 Debtor.)

In re:) BK-S-06-10729-LBR
 USA SECURITIES, LLC,) Chapter 11
 Debtor.)

Affects)
☐ All Debtors)
☐ USA Commercial Mortgage Co.) Date: March 15, 2007
☐ USA Securities, LLC) Time: 9:30 a.m.
☐ USA Capital Realty Advisors, LLC)
☐ USA Capital Diversified Trust Deed)
☒ USA Capital First Trust Deed Fund, LLC)

**DECLARATION OF MATT KVARDA IN SUPPORT OF SIXTH OMNIBUS OBJECTION
 OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF USA CAPITAL
 FIRST TRUST DEED FUND, LLC – CLAIMS BASED ON PREPETITION EQUITY
 SECURITY INTERESTS OF USA CAPITAL FIRST TRUST DEED FUND, LLC (AFFECTS
 DEBTOR USA CAPITAL FIRST TRUST DEED FUND, LLC)**

1 I, Matt Kvarda, hereby declare and state as follows:

2 1. On April 13, 2006 (the "Petition Date"), the following related entities filed for
3 relief under Chapter 11 of the Bankruptcy Code: (1) USA Commercial Mortgage Company
4 ("USACM"); (2) USA Capital First Trust Deed Fund, LLC ("FTDF"); (3) USA Capital
5 Diversified Trust Deed Fund, LLC ("DTDF"); (4) USA Securities, LLC; and (5) USA Capital
6 Realty Advisors, LLC (collectively, the "Debtors").

7
8 2. On May 10, 2006, the United States Trustee appointed the following official
9 committees to represent the interests of their respective constituents in these bankruptcy cases:
10 (1) the Official Committee of Holders of Executory Contract Rights Through USA
11 Commercial Mortgage Company (the "Direct Lenders Committee"); (2) the Official
12 Committee of Unsecured Creditors of USA Commercial Mortgage Company (the "UCC"); (3)
13 the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund,
14 LLC (the "FTDF Committee"); and (4) the Official Committee of Equity Security Holders of
15 USA Capital Diversified Trust Deed Fund, LLC (the "Diversified Committee").
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18 3. I am a Managing Director of Alvarez & Marsal, LLC, the Court-approved
19 financial advisor to the FTDF Committee since June 1, 2006.

20 4. On October 16, 2006, the Court ordered FTDF to provide the FTDF
21 Committee Professionals with the Debtor's records of the composition of the FTDF members
22 and their respective investments in FTDF, which list (the "FTDF Member List") was provided
23 to the FTDF Committee Professionals shortly thereafter.

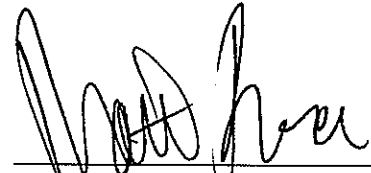
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25 5. I have reviewed the facts stated in Sixth Omnibus Objection Of The Official
26 Committee Of Equity Security Holders Of USA Capital First Trust Deed Fund, LLC To
27

1 Claims Based On Prepetition Equity Security Interests of USA Capital First Trust Deed Fund,
2 LLC " (the "Objection"), as well as the claims and interests listed on Exhibit 1 thereto.

3 6. Based upon my review of the FTDF Member List, the list of claimants
4 provided in Exhibit 1 to the Objection as well as the stated amount of their respective equity
5 interests in FTDF as of the Petition Date is an accurate representation of those claimants'
6 equity interests in FTDF as of the Petition Date pursuant to the Debtors' records.

7
8 7. I declare, under penalty of perjury, that the foregoing statements are true and
9 correct to the best of my knowledge and belief.

10 DATED this 10th day of February, 2007.

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12 
13 MATT KVARDA